

**GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2013**

H

1

HOUSE BILL 466

Short Title: Amend Private Protective Services Act/Fees. (Public)

Sponsors: Representatives McNeill, Burr, Dobson, and Hanes (Primary Sponsors).
For a complete list of Sponsors, refer to the North Carolina General Assembly Web Site.

Referred to: Judiciary, if favorable, Commerce and Job Development, if favorable, Finance.

April 1, 2013

A BILL TO BE ENTITLED
AN ACT TO MAKE VARIOUS CHANGES TO THE PRIVATE PROTECTIVE SERVICES
ACT AND TO CREATE CERTAIN FEES.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 74C-8 reads as rewritten:

"§ 74C-8. License requirements.

(a) License Required. – Any person, firm, association, or corporation desiring to carry on or engage in the private protective services profession in this State shall be licensed in accordance with this Chapter.

(b) Application. – To apply for a license, an applicant must submit a verified application in writing to the Board that includes all of the following:

- (1) Full name, home address, post office box, and the actual street address of the applicant's business.
- (2) The name under which the applicant intends to do business.
- (3) A statement as to the general nature of the business in which the applicant intends to engage.
- (4) The full name and address of any partners in the business and the principal officers, directors and business manager, if any.
- (5) The names of not less than three unrelated and disinterested persons as references of whom inquiry can be made as to the character, standing, and reputation of the persons making the application.
- (6) Such other information, evidence, statements, or documents as may be required by the Board.
- (7) Accompanying trainee permit applications only, a notarized statement signed by the applicant and his employer stating that the trainee applicant will at all times work with and under the direct supervision of a licensed private detective.

(c) Qualifying Agent. – A business entity, other than a sole proprietorship, that engages in private protective services is subject to all of the requirements listed in this subsection with respect to a qualifying agent. For purposes of this Chapter, a "qualifying agent" is an individual in a management position who is licensed under this Chapter and whose name and address have been registered with the Director. The requirements are:

- (1) The business entity shall employ a designated resident qualifying agent who meets the requirements for a license issued under this Chapter and who is, in fact, licensed under the provisions of this Chapter, unless otherwise



1 approved by the Board. Provided however, that this approval shall not be
2 given unless the business entity has and continuously maintains in this State
3 a registered agent who shall be an individual resident in this State. Service
4 upon the registered agent appointed by the business entity of any process,
5 notice, or demand required by or permitted to be served upon the business
6 entity by the Private Protective Services Board shall be binding upon the
7 business entity and the licensee. Nothing herein contained shall limit or
8 affect the right to serve any process, notice, or demand required or permitted
9 by law to be served upon a business entity in any other manner now or
10 hereafter permitted by law.

11 (2) Repealed by Session Laws 2009-328, s. 3, effective October 1, 2009.

12 (3) In the event that the qualifying agent upon whom the business entity relies in
13 order to do business ceases to perform his duties as qualifying agent, the
14 business entity shall notify the Director within 10 working days. The
15 business entity must obtain a substitute qualifying agent within ~~30-90~~ days
16 after the original qualifying agent ceases to serve as qualifying agent unless
17 the Board, in its discretion, extends ~~this period, the 90-day period,~~ for good
18 cause, ~~for a period of time not to exceed three months.~~ for an additional 30
19 days upon the filing of a petition by the business entity and upon a hearing
20 by the Board. The Board may require the payment of a late fee for a business
21 entity failing to obtain a substitute qualifying agent pursuant to the
22 requirements of this subdivision.

23 (4) The certificate authorizing the business entity to engage in a private
24 protective services profession shall list the name of at least one designated
25 qualifying agent. No licensee shall serve as the qualifying agent for more
26 than one business entity without prior approval of the Director, subject to the
27 approval of the Board.

28 (5) Repealed by Session Laws 2009-328, s. 3, effective October 1, 2009.

29 (d) Criminal Record Check. – An applicant must meet all of the following requirements
30 and qualifications determined by a background investigation conducted by the Board in
31 accordance with G.S. 74C-8.1 and upon receipt of an application:

32 (1) That the applicant is at least 18 years of age.

33 (2) That the applicant is of good moral character and temperate habits. The
34 following shall be prima facie evidence that the applicant does not have
35 good moral character or temperate habits: conviction by any local, State,
36 federal, or military court of any crime involving the illegal use, carrying, or
37 possession of a firearm; conviction of any crime involving the illegal use,
38 possession, sale, manufacture, distribution, or transportation of a controlled
39 substance, drug, narcotic, or alcoholic beverage; conviction of a crime
40 involving felonious assault or an act of violence; conviction of a crime
41 involving unlawful breaking or entering, burglary, larceny, or any offense
42 involving moral turpitude; or a history of addiction to alcohol or a narcotic
43 drug; provided that, for purposes of this subsection, "conviction" means and
44 includes the entry of a plea of guilty or no contest or a verdict rendered in
45 open court by a judge or jury.

46 (3) Repealed by Session Laws 1989, c. 759, s. 6.

47 (4) That the applicant has the necessary training, qualifications, and experience
48 in order to determine the applicant's competency and fitness as the Board
49 may determine by rule for all licenses to be issued by the Board.

1 (e) Examination. – The Board may require the applicant to demonstrate the applicant's
2 qualifications by oral or written examination or by successful completion of a Board-approved
3 training program, or all three.

4 (f) Issuance. – Upon a finding that the application is in proper form, the completion of
5 the background investigation, and the completion of an examination required by the Board, the
6 Director shall submit to the Board the application and the Director's recommendations. Upon
7 completion of the background investigation, the Director may issue a temporary license
8 pending approval of the application by the Board at the next regularly scheduled meeting. The
9 Board shall determine whether to approve or deny the application for a license. Upon approval
10 by the Board, a license will be issued to the applicant upon payment by the applicant of the
11 initial license fee and the required contribution to the Private Protective Services Education
12 ~~Fund~~, Fund (Fund), and certificate of liability insurance. The applicant must pay the initial
13 license fee and make the required contribution to the Fund within 90 days from the date the
14 applicant receives notice of pending licensure approval unless the Board, in its discretion,
15 extends the 90-day period for good cause for an additional 30 days upon the filing of a petition
16 by the applicant and upon a hearing by the Board. The Board may require the payment of a late
17 fee for an applicant failing to pay the initial license fee and make the contribution to the Fund
18 pursuant to the requirements of this subsection.

19 (1) through (5) Repealed by Session Laws 1989, c. 759, s. 6.

20 (g) Confidentiality. – Except for purposes of administering the provisions of this section
21 and for law enforcement purposes, the home address or telephone number of an applicant,
22 licensee, or the spouse, children, or parents of an applicant or licensee is confidential under
23 G.S. 132-1.2, and the Board shall not disclose this information unless the applicant or licensee
24 consents to the disclosure. The provisions of this subsection shall not apply when a licensee's
25 home address or telephone number is also the licensee's business address and telephone
26 number. Violation of this subsection shall constitute a Class 3 misdemeanor."

27 **SECTION 2.** G.S. 74C-9 reads as rewritten:

28 "**§ 74C-9. Form of license; term; renewal; posting; branch offices; not assignable; late**
29 **renewal fee.**

30 (a) The license when issued shall be in such form as may be determined by the Board
31 and shall state:

- 32 (1) The name of the licensee,
- 33 (2) The name under which the licensee is to operate, and
- 34 (3) The number and expiration date of the license.

35 (b) The license shall be issued for a term of two years. A trainee permit shall be issued
36 for a term of two years. All licenses must be renewed prior to the expiration of the term of the
37 license. Following issuance, the license shall at all times be posted in a conspicuous place in the
38 licensee's principal place of business, in North Carolina, unless for good cause exempted by the
39 Director. A license issued under this Chapter is not assignable. The Board may require all
40 licensees to complete continuing education courses approved by the Board before renewal of
41 their licenses.

42 (c) Repealed by Session Laws 1989, c. 759, s. 7.

43 (d) The operator or manager of any branch office shall be properly licensed or
44 registered. The license shall be posted at all times in a conspicuous place in the branch office.
45 This license shall be issued for a term of two years. Every business covered under the
46 provisions of this Chapter shall file in writing with the Board the addresses of each of its
47 branch offices, if any, within 10 working days after the establishment, closing, or changing of
48 the location of any branch office. The Director may, upon the successful completion of an
49 investigation of the application, issue a temporary branch office license pending approval of the
50 application by the Board.

1 (e) The Board is authorized to charge reasonable application and license fees as
2 follows:

- 3 (1) A nonrefundable initial application fee in an amount not to exceed one
4 hundred fifty dollars (\$150.00).
- 5 (2) A new or renewal license fee in an amount not to exceed two hundred fifty
6 dollars (\$250.00) per year of the license term.
- 7 (3) A new or renewal trainee permit fee in an amount not to exceed two hundred
8 fifty dollars (\$250.00) per year of the license term.
- 9 (4) A new or renewal fee for each license or duplicate license in addition to the
10 basic license referred to in subsection (2) in an amount not to exceed fifty
11 dollars (\$50.00) per year of the license term.
- 12 (5) A late renewal fee to be paid within 90 days from the date the license,
13 registration, permit, or certification expires in addition to the renewal fee due
14 in an amount not to exceed one hundred dollars (\$100.00), if the license,
15 registration, permit, or certification has not been renewed on or before the
16 expiration date of the license, registration, permit, or certification.
- 17 (6) A new, renewal, replacement or reissuance fee for an unarmed registration
18 identification card in an amount not to exceed thirty dollars (\$30.00).
- 19 (7) An application fee for a firearm registration permit for all applicants subject
20 to G.S. 74C-13 not to exceed fifty dollars (\$50.00).
- 21 (8) A new, renewal, replacement, or reissuance fee for a firearm registration
22 permit not to exceed thirty dollars (\$30.00).
- 23 (9) An application fee for certification as a certified trainer not to exceed fifty
24 dollars (\$50.00).
- 25 (10) A renewal or replacement fee for certified trainer certification not to exceed
26 twenty-five dollars (\$25.00).
- 27 (11) A new nonresident temporary permit fee not to exceed one hundred dollars
28 (\$100.00).
- 29 (12) An unarmed registration transfer fee not to exceed fifteen dollars (\$15.00).
- 30 (13) A branch office license fee not to exceed fifty dollars (\$50.00) per year of
31 the license term.
- 32 (14) A special limited guard and patrol license fee not to exceed one hundred
33 dollars (\$100.00) per year of the license term.
- 34 (15) A correctable error fee not to exceed one hundred dollars (\$100.00) for each
35 subsequent filing of an application following review and rejection of the
36 initial application.
- 37 (16) A late fee for a business entity subject to G.S. 74C-8(c)(3) or an applicant
38 for licensure under G.S. 74C-8(f) not to exceed one hundred dollars
39 (\$100.00).

40 Except as provided in G.S. 74C-13(k), all fees collected pursuant to this section shall be
41 expended, under the direction of the Board, for the purpose of defraying the expenses of
42 administering this Chapter.

43 (f) A license or trainee permit granted under the provisions of this Chapter may be
44 renewed by the Private Protective Services Board upon notification by the licensee or permit
45 holder to the Director of intended renewal, the payment of the proper fee, and evidence of a
46 policy of liability insurance as prescribed in G.S. 74C-10(e).

47 The renewal shall be finalized before the expiration date of the license. In no event will
48 renewal be granted more than three months after the date of expiration of a license or trainee
49 permit.

50 (f1) If a licensee, trainee, or registrant provides documentation to the Director that he or
51 she is temporarily unable to complete the renewal application requirements because of a

1 physical disability or medical condition, the Board may grant a 90-day extension to complete
2 the renewal requirements. To satisfy any requirements of the Board, the Director shall request
3 documentation of the condition upon which the request is based. The documentation must be
4 submitted from a licensed medical practitioner stating that the licensee, trainee, or registrant
5 has a condition that precludes him or her from completing the application or training
6 requirements.

7 (g) Upon notification of approval of the application by the Board, an applicant must
8 furnish evidence that the applicant has obtained the necessary liability insurance required by
9 G.S. 74C-10 and obtain the license applied for or the application shall lapse.

10 (h) Trainee permits shall not be issued to applicants that qualify for a private detective
11 license. A licensed private detective may supervise no more than five trainees at any given
12 time."

13 **SECTION 3.** G.S. 74C-12(a)(1) reads as rewritten:

14 "(a) The Board may, after compliance with Chapter 150B of the General Statutes, deny,
15 suspend or revoke a license, certification, registration, or permit issued under this Chapter if it
16 is determined that the applicant, licensee, trainer, registrant, or permit holder has done any of
17 the following acts:

18 (1) Made any false statement or given any false information in connection with
19 any application for a license, certification, registration, or permit or for the
20 renewal or reinstatement of a license, certification, registration, or permit."

21 **SECTION 4.** G.S. 74C-13 is amended by adding the following new subsection to
22 read:

23 "(d2) A proprietary employer who employs an armed guard as defined under
24 G.S. 74C-3(b)(13) shall submit an application to the Board on a form provided by the Board.
25 The proprietary employer shall renew its license every two years."

26 **SECTION 5.** This act becomes effective July 1, 2013.